

# QUALITY ASSURANCE MODEL FOR SCQFP APPROVED CREDIT RATING BODIES

## SECTION 7 Removal of Credit Rating Authority and Ceasing Credit Rating



scottish credit and  
qualifications framework

# **Section 7**

## **Removal of Credit Rating Authority and Ceasing Credit Rating**

*This Quality Assurance Model (QAM) applies specifically to those SCQFP Approved CRBs but for ease of reading the term Credit Rating Body or CRB will be used in this document*

## **Introduction**

The Quality Assurance Model is carried out in order to ensure that SCQFP Approved CRBs continue to carry out their responsibilities in maintaining the quality and integrity of the SCQF.

Where the processes of annual monitoring, periodic review or matters of concern highlighted to the Partnership expose circumstances that mean that the quality and integrity of the SCQF may be at risk, the SCQF Partnership reserves the right to remove credit rating authority.

The removal of credit rating authority is a serious matter and in most circumstances will be a last resort carried out only when the matters of concern cannot be resolved by any other means. However, a CRB may be asked to suspend new credit rating activity until the issues are resolved.

## **Removal of Credit Rating Authority**

Although it is unlikely that the SCQFP Board will ever have to remove a CRB's credit rating authority there is a process for doing so. In most cases where there are problems and concerns these will be picked up and dealt with under the annual monitoring and periodic review activities. The SCQFP Executive Team will offer support and mentoring to CRBs experiencing difficulties to help them to return to effective working as soon as possible. However, if the CRB continues to cause concern its approval will be withdrawn.

Credit Rating authority may be removed where the CRB has:

- Failed consistently to take action required by the SCQFP Quality Committee and/or Board on a range of topics, for example:
  - Evidence of unresolved complaints
  - The loss of experienced personnel
  - Institutional or structural change leading to a serious change in roles and responsibilities of the organisation
  - Unresolved issues from SCQFP reviews
- Identified issues and is unable to make and sustain improvements
- Not suspended credit rating activity when requested
- Misused its authority
- Has no current programmes on the SCQF Database and has been dormant for a lengthy period of time
- Been given a 'High' risk rating

## **Process for removal of credit rating authority**

Credit rating authority will only be removed when all other courses of action have been explored and no agreed resolution has been possible. The decision to remove authority will be based on evidence from self-assessment reports and meetings during annual monitoring and periodic review activity as well as special ad hoc meetings and additional review visits to deal with the specific issues.

In most cases, the SCQF Partnership will encourage the CRB itself to give up its authority (see Ceasing credit rating) but if this course of action fails, the SCQFP Board has the right to implement the process to remove the credit rating authority.

Removal of credit rating authority will require the consent of the SCQFP Quality Committee and the SCQFP Board and will only be carried out after:

- Meetings between SCQF Partnership and the CRB
- Agreements have been made as to the timeline for the removal
- Arrangements have been made for taking over any current credit rated work and the continuing monitoring of any current programmes on the SCQF Database
- Agreement of any costs for which the CRB may be liable

If a CRB has authority to credit rate third party programmes, and this is the area where the difficulties arise, it may be that the CRB could have its third party authority removed whilst retaining its authority to credit rate its own programmes. Alternatively the CRB may agree to give up its third party authority voluntarily whilst retaining its authority to credit rate its own programmes if this is a suitable and appropriate outcome. (see Ceasing of third party credit rating).

In a case where the decision has been taken to remove a CRB's credit rating authority this process will be managed by SCQFP to ensure that learners are not disadvantaged.

### **Giving Up CRB status**

Where a CRB decides to give up its CRB status it should inform the SCQFP at the earliest opportunity so that the process can be managed and learners are not disadvantaged.

The SCQF Partnership has issued a set of flowcharts for a CRB to follow when giving up its CRB status. The flowcharts can be found at Section 10. If the CRB offers a third party credit rating service it should, in addition, refer to the section below and the associated flowcharts on Ceasing Third Party Credit Rating.

These flowcharts should be followed to ensure that no learners are unfairly disadvantaged and that the SCQF Partnership is kept fully informed.

## Ceasing Third Party Credit Rating

This section should be read taking cognisance of any specific contract agreed between the CRB and the Third Party. Where that contract sets out arrangements for ceasing credit rating activity with the third party, this should be followed. However, any such terms in a contract for credit rating should take cognisance of the following key principles:

- A third party should not be disadvantaged or bear any additional costs over that previously agreed with them if no quality assurance breach has taken place
- Any difference in costs involved in a handover to another CRB over and above any previously agreed annual monitoring costs should be borne by the original CRB unless previously agreed in a contract or memorandum of understanding
- A period of notice should be agreed with a third party in the event that a CRB wishes to cease the credit rating activity which does not disadvantage any learners undertaking the programme(s) – this period of notice should take into account the duration and frequency of the delivery of the programme and be of an appropriate length
- With the exception of where there are significant quality assurance risks or reason to believe that the SCQF may be brought into disrepute, the period of notice should allow sufficient time for the programme owner to make alternative arrangements for learners
- Where there is an unresolved quality assurance breach or reason to believe that the SCQF may be brought into disrepute and the third party, given the right to respond, has not remedied the situation, the CRB may terminate the credit rating arrangement with immediate effect and it will not be liable for any resulting costs however the CRB must make every effort to ensure that any current learners are not disadvantaged.  
**However, the CRB should inform the SCQF Partnership at the earliest opportunity and before any action is taken.**
- The CRB should ensure that it has informed the third party of the situation at the earliest possible opportunity and the third party has agreed to any handover arrangements if applicable
- Best practice would be that a CRB has an exit procedure in place which ensures that as far as possible learners are safeguarded

The SCQF Partnership has issued a set of flowcharts for a CRB to follow when ceasing to carry out credit rating for a third party which can be found at Section 10. These flowcharts should be followed to ensure that no learners or third party organisation are unfairly disadvantaged and that the SCQF Partnership is kept fully informed.